

FISCAL NOTE

SB 895 - HB 1350

March 6, 2004

SUMMARY OF BILL: Requires direct payment to essential provider health care facilities to ensure they remain viable entities.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$30,000,000

Other Fiscal Impact - Increase Federal Expenditures - Exceeds \$60,000,000

Estimate assumes:

- The bill requires direct payments to hospitals separate from current MCO reimbursement with no reduction in current payments.
- While the meaning of viable is undetermined, the amount of subsidy would have to be substantial to affect an industry currently receiving approximately \$1,000,000,000 annually from TennCare.
- Essential provider payments are not budgeted for FY04 or FY05.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director